

Message Text

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71

ACTION EB-11

INFO OCT-01 ARA-16 ADP-00 L-03 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 RSR-01 /052 W

----- 055800

R 242132Z JUL 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 522

UNCLAS LA PAZ 4489

E.O. 11652: N/A

TAGS: ETRN, BL

SUBJ: CIVAIR - RESTRICTIVE FOREIGN AIRLINE PRACTICES

REF: A-4134

1. BRANIFF LA PAZ REPORTS BOLIVIAN GOVERNMENT EXERCISES NO RPT NO RESTRICTIVE OR DISCRIMINATORY PRACTICES TO FAVOR LLOYD AEREO BOLIVIANO (LAB) AND WHICH ADVERSELY EFFECT ABILITY OF U.S. AIRLINES TO COMPETE FAIRLY IN BOLIVIAN MARKET, WITH FOLLOWING EXCEPTION:

A. ABOUT FEBRUARY 1973, GOB ISSUED DECREE CREATING NATIONAL TOURISM INSTITUTE. DECREE CONTAINS CLAUSE REQUIRING ALL RPT ALL NON-BOLIVIAN AIRLINES TO PAY TAX EQUIVALENT TO \$US ONE FOR EACH INTERNATIONAL TICKET SOLD HERE. LAB IS NOT LIABLE TO THIS CLAUSE. BRANIFF SAYS ALL RPT ALL FOREIGN AIRLINES ARE APPEALING CONSTITUTIONALITY OF THIS CLAUSE AND ARE NOT PAYING TAX PENDING OUTCOME. BRANIFF SAYS IT UNDERSTANDS DISPUTE WILL BE RESOLVED BY GOB'S MODIFICATION OF DECREE TO MAKE LAB ALSO LIABLE TO CLAUSE.

2. LAB'S SECRETARY GENERAL CONFIRMED TO EMBASSY THAT TAX DISCUSSED ABOVE IS BOLIVIA'S ONLY LEGAL INSTRUMENT OR PRACTICE WHICH CAN BE INTERPRETED AS DISCRIMINATORY TO NON-BOLIVIAN AIRLINES.

3. LAB, AS HAS SEVERAL TIMES BEEN REPORTED, DOES RECEIVE A DIRECT SUBSIDY FROM THE GOB WHICH IS BY FAR THE MAJORITY UNCLASSIFIED

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OWNER. (FYI: BRANIFF IS ALSO A LAB STOCKHOLDER).

4. COMMENT: TO RETAIN PERSPECTIVE ON THIS MATTER, IT IS
FAIR TO POINT OUT THAT BRANIFF LA PAZ OFFERS THE COMMENT THAT
THE GOB IS FAIR TO FOREIGN CARRIERS AND THAT BRANIFF IS
THE AIRLINE PREFERRED BY BOLIVIANS.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
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